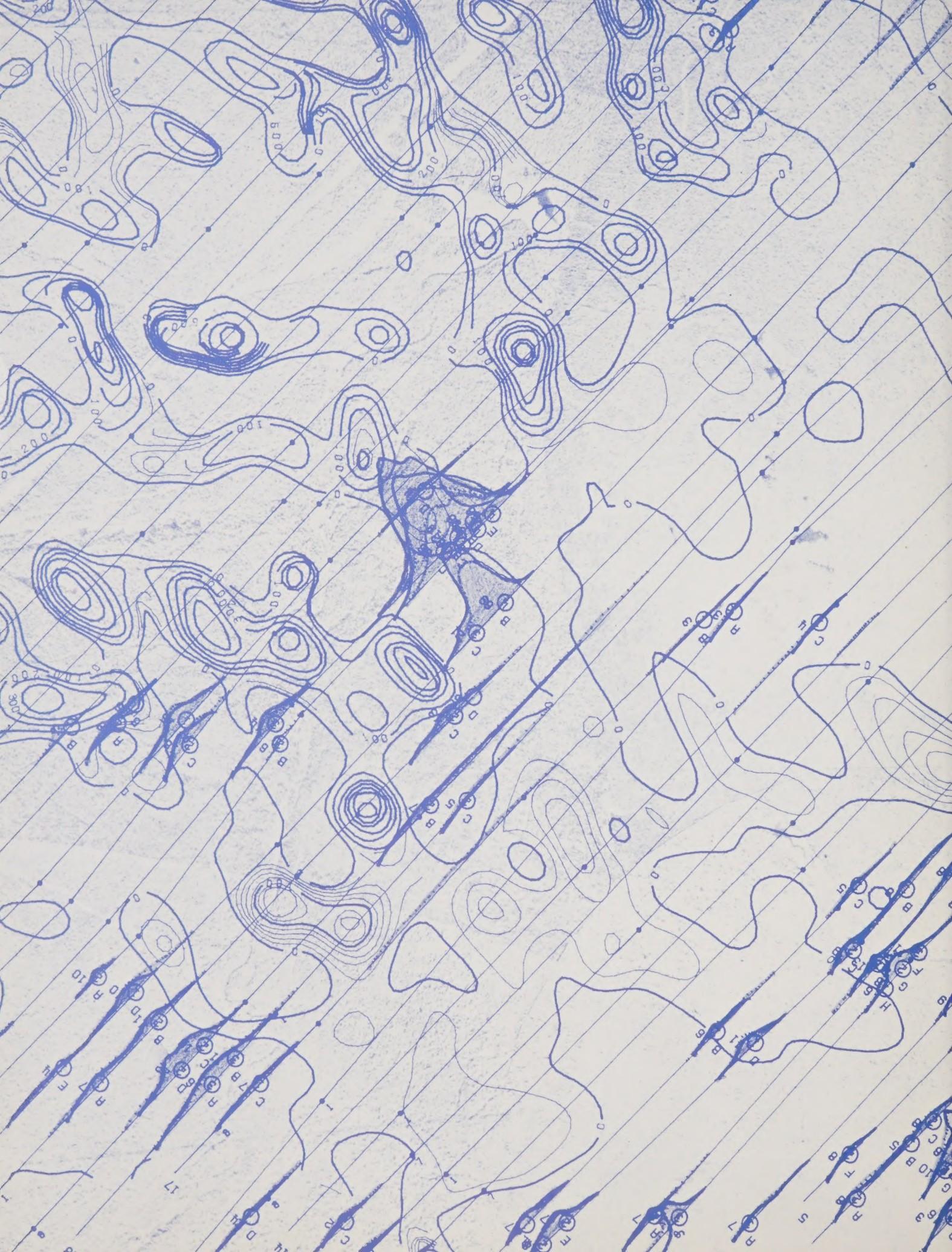




Consolidated Morrison Explorations Limited/Annual Report 1975

AR08





Consolidated Financial Statements

for the Year Ended December 31, 1975
Consolidated Morrison Explorations Limited
and Subsidiaries

Officers

A. W. Stollery, *President*
A. Gordon Stollery, *Executive Vice-President*
George T. Smith, *Vice-President*
M. A. Columbos, *Secretary-Treasurer*

Directors

William James, *Toronto, Ontario*
H. Reimer, *Toronto, Ontario*
George T. Smith, *Toronto, Ontario*
Robert M. Smith, *Oakville, Ontario*
A. Gordon Stollery, *Toronto, Ontario*
A. W. Stollery, *Toronto, Ontario*
M. A. Columbos, *Toronto, Ontario*

Honorary Directors

Dr. P. W. Ferris, *Toronto, Ontario*
D. R. Watt, *Toronto, Ontario*

Auditors

Coopers & Lybrand,
Chartered Accountants,
145 King Street West,
Toronto, Canada.

Registrars and Transfer Agent

Canada Permanent Trust Company,
20 Eglinton Ave. West,
Toronto, Canada.

Bankers

Canadian Imperial Bank of Commerce,
25 King Street West,
Toronto, Canada.

Executive Offices

Suite 1700,
11 King St. West,
Toronto, Canada,
416-363-1644.

Front and Inside Covers

The front cover is a photograph of a diamond drill rig operating on one of the company's properties. The inside front cover shows an unusual anomaly picked up during 1975 airborne surveying.

Directors Report to the Shareholders

for the Year Ended December 31, 1975

Consolidated Morrison Explorations Limited

During 1975 the affairs of the company improved substantially. Arrangements were made to finance accelerated exploration on both the Urex and Flin Flon projects, a deep exploration probe for uranium was commenced on our Township 168 property by Imperial Oil Ltd. and a new copper discovery was made on the Great Burnt Lake concession in Central Newfoundland. In addition, the Richmond Hill farm property was sold at a profit and the downtown Toronto renovation joint venture was 75% completed. The following is a detailed outline of these developments.

Urex Project

The Urex project is a comprehensive effort to discover new uranium deposits in the Elliot Lake-Agnew Lake area of Ontario. Approximately 700 claims or 28,000 acres are held in this project in joint venture with David S. Robertson and Associates Ltd. Most of this landholding is adjacent to the Agnew Lake property which Kerr Addison Mines Ltd. has recently announced it is putting into production at an additional cost of \$37,000,000. To fund further exploration on the Urex properties, Consolidated Morrison is pleased to announce that Norcen Energy Resources Ltd., a major Canadian utility and petroleum producer, has agreed to participate in the project and to fund the initial exploration budget of \$400,000. Norcen may ultimately earn a 60% interest in the properties by spending a total of \$1,500,000 over the next six years. It is anticipated that the first prospect to be drilled will be the Flack Lake property, the geology and potential of which

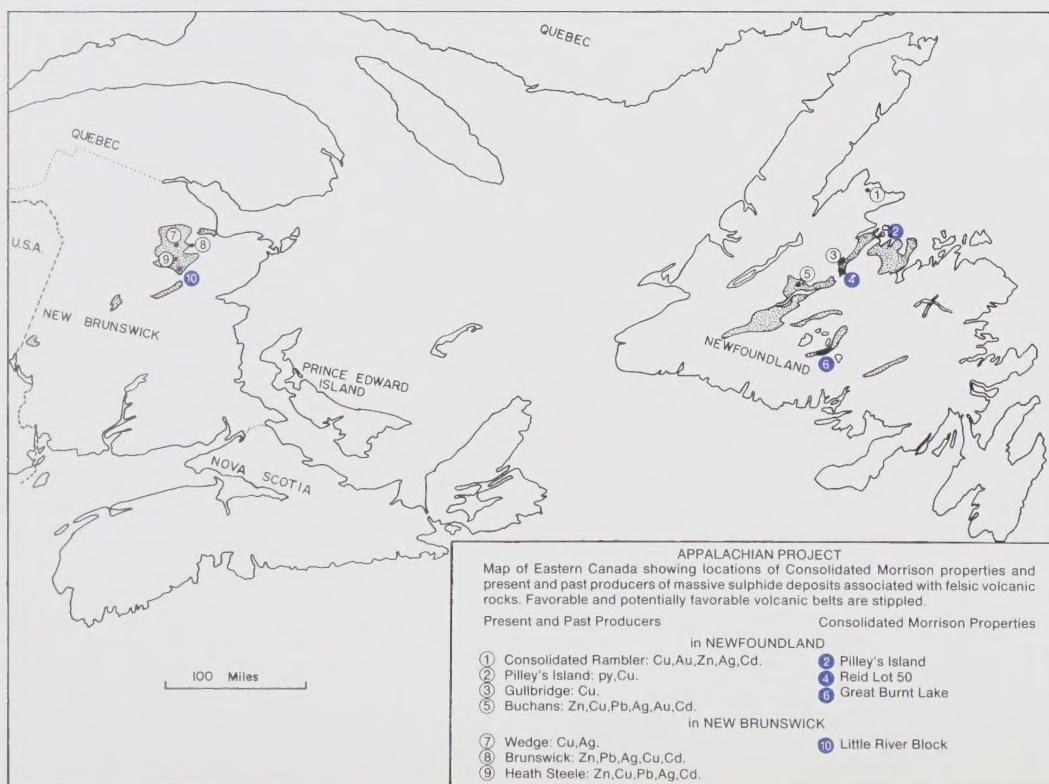
was described in the 1975 six month report. Drilling on this property should commence shortly.

Township 168

As reported recently in the press, drilling on our Township 168 property in the western part of the Blind River Basin was completed in early February by Imperial Oil Ltd. The hole ended at 4,480 feet after nearly five months of drilling. The best intersection was an 18.6 foot section grading 0.34 pounds of uranium per ton in the interval from 4,208 to 4,237 feet. While this hole was disappointing in view of our initial objective, it has established the presence of a large reserve of uranium beneath the southern part of the property. The property is being taken to lease in the event that increased uranium prices combined with new extraction techniques make commercial exploitation feasible. In the meantime some potential for higher grade material still exists, but Imperial Oil Ltd. have not yet advised whether or not they intend to drill a second hole.

Flin Flon Project

During 1975 we were disappointed that Canex Placer Ltd. dropped its participation in the Flin Flon project, a decision no doubt influenced by the political-economic environment at the time. We are grateful to Placer however, for releasing the property from option at an early date to allow us to seek other financing. We are therefore pleased to report that negotiations have reached an advanced stage whereby the Saskatchewan Mine Development Corporation will participate in the Flin Flon project on



the following basis; the SMDC will provide \$300,000 of the first \$400,000 exploration budget, \$250,000 of the second \$400,000 budget and will provide 50% of the funds thereafter in return for a 50% interest in the project. A full scale exploration effort on this project is scheduled to commence in March, 1976. It must be noted that the SMDC participation applies only to the Saskatchewan permit which comprises approximately 180,000 acres. The smaller Manitoba permit expired in May, 1975 but 41 claim blocks comprising 16,000 acres were staked to protect favourable geology.

Appalachian Project

Consolidated Morrison has been exploring for base metals in the volcanic belts of Newfoundland and New Brunswick for three years and as a result has acquired four properties (see accompanying map), two of which have important known massive sulphide deposits warranting further exploration, and two others which have significant potential for the discovery of massive sulphide deposits. Our landholding in the Appalachian Project is in excess of 26,000 acres. The highlight of our Newfoundland work to date was the discovery during the summer of 1975 of a new copper occurrence on the Great Burnt Lake concession. The discovery consisted of 1.3% copper over 6.2 feet. While this showing is not remarkable by itself, it is significant in view of the fact it occurs in altered acid volcanic rocks on strike with an electromagnetic conductor with coincident copper and zinc geochemical anomalies.

Other Mineral Interests

Consolidated Morrison continues to hold a 56 claim group in the Sturgeon Lake area through its 74% owned subsidiary Morcon Exploration Ltd. Also retained is a 25.9% interest in a large columbium deposit in the James Bay Lowlands of Ontario and the site of the old Morrison silver mine near Gowganda, Ontario. Our U.S.A. subsidiary, Morrison Nuclear Inc. holds small overriding royalties in 47,316 acres of oil and gas leases in the western U.S.A. and owns 4,376 acres outright. During the year the company received slightly in excess of \$100,000 in proceeds from the sale of leases. Also in the United States, we have been participating through our subsidiary, Morrison Nuclear Inc. with Mobil Oil on a joint venture property in the Powder River Basin, Wyoming. During the year, Morrison Nuclear converted its working interest in this property to a 3% net smelter return royalty. The property contains low grade uranium mineralization, which may be amenable to solution mining, a technique being developed by Mobil.

Morlan Properties Ltd.

No new investments were made by Morlan Properties Ltd. during the year. In fact, of the five real estate properties managed by Morlan, one was sold and the other, a joint venture, was 75% completed. The Richmond Hill property of 100 acres was sold January 6, 1976 for \$1,545,000. The property was purchased three years ago for \$807,000. The joint venture development of a group of downtown Toronto Victorian townhouses is nearly sold out. The poor real estate market in 1975 combined with high interest rates caused this project to show a small loss. Morlan continues to manage the three remaining real estate investments of your company which are comprised of 194 acres in Oshawa, 340 acres in Vaughan Township near Kleinberg and 175 acres in Caledonia, south-west of Hamilton, Ontario.

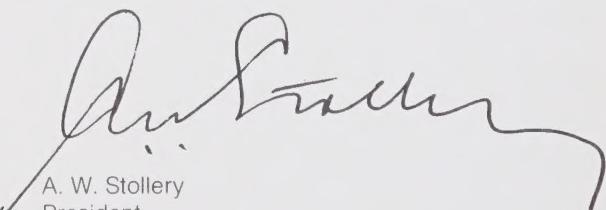
Investments

The sale of Richmond Hill property has improved the liquidity of the Company at a time when its major income producing investment is struggling against the difficulties encountered by the mining industry world wide. Noranda Mines Ltd. in the first quarter of 1976 reduced its dividend from \$0.50 to \$0.30 per quarter. In 1975 Noranda earnings were severely depressed to \$2.14 a share from \$6.59 a share in 1974. With the slow but general improvement in the economies of the major industrial nations, improvement in Noranda's earnings is to be expected. Consolidated Morrison holds 200,000 shares of Noranda. At recent market prices, this investment has a market value of \$7,000,000, the equivalent of \$1.55 per Morrison share.

Outlook

The year 1976 promises to be an interesting and eventful one for your company. Drilling programs are planned for the Flack and Agnew Lake areas, for the Flin Flon project and in Newfoundland and New Brunswick. Further drilling may be undertaken on Township 168. While together these various projects would indicate expenditures in excess of \$1,000,000 the company's proportion is well within its resources.

On behalf of the Board of Directors



A. W. Stollery
President

March 8, 1976.

Consolidated Balance Sheet

as at December 31, 1975

Consolidated Morrison Explorations Limited
and Subsidiaries

Assets

	1975	1974
Current Assets		
Cash.....	\$ —	\$ 120,611
Accounts receivable	21,063	81,357
Short-term investments — at cost	206,000	206,000
	<hr/> 227,063	<hr/> 407,968
 Investment in and Advances to Joint Ventures (note 2)	 638,489	 617,433
 Investment in Other Companies — at cost		
(quoted market value 1975 — \$5,855,433; 1974 — \$5,891,465) (note 3) ...	465,408	566,272
 Mining and Oil Properties (note 4)	<hr/> 2,597,804	<hr/> 2,482,442
 Land Held for Investment — at cost (note 5)	<hr/> 3,345,089	<hr/> 3,185,697
 Fixed Assets — at cost,		
less accumulated depreciation (1975 — \$50,213; 1974 — \$43,278)	16,515	14,445
	<hr/> \$7,290,368	<hr/> \$7,274,257

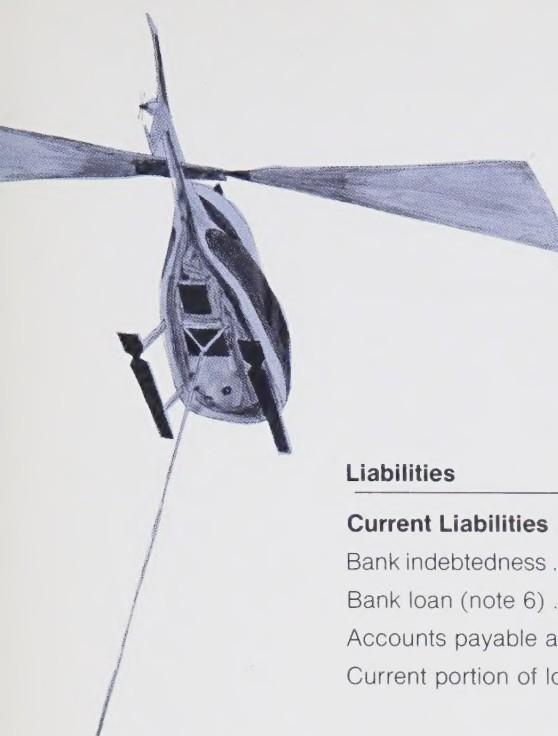
Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of Consolidated Morrison Explorations Limited and subsidiaries as at December 31, 1975 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the report of the auditors who have examined the financial statements of one of the joint ventures.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1975 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

COOPERS & LYBRAND
Chartered Accountants

February 27, 1976



Liabilities

Current Liabilities

	1975	1974
Bank indebtedness	\$ 66,387	\$ —
Bank loan (note 6)	2,145,000	2,100,000
Accounts payable and accrued liabilities	41,551	83,365
Current portion of long-term debt	45,707	62,680
	2,298,645	2,246,045

Long-Term Debt

Mortgages on real estate (note 7)	767,800	830,896
Less: Current portion	45,707	62,680
	722,093	768,216
Minority Interest in a Subsidiary	14,625	14,625
	3,035,363	3,028,886

Shareholders' Equity

Capital Stock (note 8)

Authorized — 5,000,000 shares of \$1 par value each

Issued — 4,530,000 shares	4,530,000	4,530,000
Less: Discount	1,609,996	1,609,996
	2,920,004	2,920,004

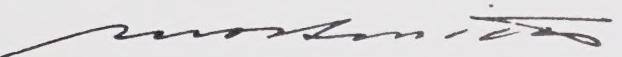
Retained Earnings

Retained Earnings	1,335,001	1,325,367
	4,255,005	4,245,371
	\$7,290,368	\$7,274,257

Signed on Behalf of the Board



A. W. STOLLERY, Director



G. T. SMITH, Director

Consolidated Statement of Earnings

for the year ended December 31, 1975

Consolidated Morrison Explorations Limited

	1975	1974
Income from Investments		
Dividends	\$400,000	\$360,000
Interest	21,239	82,142
Joint ventures (note 2)	24,922	9,598
	446,161	451,740
Administrative and Financial Expense		
General administration	184,697	215,605
Bond interest	—	126,000
Amortization of bond issue expense	—	16,847
Bank interest	202,995	—
	387,692	358,452
Less: Amounts allocated to mining and oil exploration	109,444	246,123
	278,248	112,329
	167,913	339,411
Earnings Before Exploration Activity and Extraordinary Item		
Exploration Activity		
General exploration costs	46,754	170,644
Mining and oil properties abandoned and exploration expenditures applicable to properties written off	50,522	104,612
Gain on sale of oil leases	(18,551)	(15,998)
	78,725	259,258
	89,188	80,153
Earnings Before Extraordinary Item		
Extraordinary Item		
Loss on sale of investments	79,554	27,086
Net Earnings for the Year	\$ 9,634	\$ 53,067

Per Share Information:

Earnings before exploration activity and extraordinary item	\$0.037	\$0.075
Earnings before extraordinary item	\$0.020	\$0.018
Net earnings for the year	\$0.002	\$0.012

Consolidated Statement of Retained Earnings

for the year ended December 31, 1975

Consolidated Morrison Explorations Limited

	1975	1974
Balance — Beginning of Year	\$1,325,367	\$1,272,300
Net earnings for the year	9,634	53,067
Balance — End of Year	\$1,335,001	\$1,325,367

Consolidated Statement of Changes in Financial Position

for the year ended December 31, 1975

Consolidated Morrison Explorations Limited

	1975	1974 (note 12)
Source of Working Capital		
Current operations —		
Net earnings for the year before extraordinary item	\$ 89,188	\$ 80,153
Items not affecting working capital —		
Depreciation	6,836	4,460
Amortization of bond issue expense	—	16,847
Net cost of oil leases sold and related deferred exploration expenditures	107,511	31,590
Income from joint ventures	(24,922)	(9,598)
Abandonment of mining and oil properties	11,450	3,806
	190,063	127,258
Mortgages on real estate	—	323,819
Proceeds on sale of investment in shares of companies	21,310	12,380
Reduction of investment in and advances to joint ventures	3,866	—
	215,239	463,457
Use of Working Capital		
Investment in and advances to joint ventures	—	607,835
Additions to mining and oil properties	10,689	27,397
Deferred exploration expenditures	223,634	180,283
Acquisition of land for investment	—	490,798
Carrying charges on land held	159,392	118,396
Reduction of long-term debt	46,123	—
Additions to fixed assets	8,906	5,706
	448,744	1,430,415
Decrease in Working Capital	233,505	966,958
Working Capital Deficiency — Beginning of Year	1,838,077	871,119
Working Capital Deficiency — End of year	\$2,071,582	\$1,838,077

Notes to Consolidated Financial Statements

for the Year Ended December 31, 1975

Consolidated Morrison Explorations Limited

1. Accounting Policies

(a) The consolidated financial statements include the accounts of the company and its subsidiaries of which Morcon Explorations Limited is 74% owned and the following are wholly-owned: Morrison Resources Limited, Morrison Nuclear Inc. and Morlan Properties Limited.

(b) Mining and oil properties are generally carried at cost and exploration costs related thereto are deferred. If a property is abandoned or considered to be of little future value, the cost thereof and the related deferred exploration expenditures are written off in the statement of earnings.

Continued

Notes to Consolidated Financial Statements

Continued

(c) Land held for investment is carried at cost and applicable carrying charges are capitalized.

2. Investment in and Advances to Joint Ventures

The company's interests in its two joint ventures are being accounted for by the equity method.

3. Investment in Other Companies

	1975	1974
Noranda Mines Limited —		
200,000 shares at cost (quoted market value 1975 — \$5,800,000; 1974 — \$5,700,000)	\$351,702	\$351,702
Other listed shares — at cost (quoted market value 1975 — \$55,433; 1974 — \$191,465)	88,704	189,568
Other shares (unlisted or escrowed) — at cost less amounts written off	25,002	25,002
	<u>\$465,408</u>	<u>\$566,272</u>

4. Mining and Oil Properties

	1975	1974
Mining claims — at cost —		
Confusion Bay, Newfoundland		
Great Burnt Lake, Newfoundland (90% interest)	15,275	11,450
James Bay Lowlands, Ontario (25.9% interest)	5,600	15,275
Gowganda Area, Ontario		
Flin Flon Area, Saskatchewan (53.3% interest)	614,500	5,600
Bathurst Area, New Brunswick		
Blind River Area, Ontario		
Sturgeon Lake, Ontario		
Converse County, Wyoming, U.S.A.	103,869	614,500
Other claims and interests	2,255	12,992
	<u>882,785</u>	<u>5,328</u>

Deferred exploration expenditures on mining claims —

Confusion Bay	—	30,410
Great Burnt Lake	36,605	3,646
James Bay Lowlands	531,772	529,387
Gowganda Area	39,919	39,814
Flin Flon Area	93,674	83,375
Bathurst Area	118,794	—
Blind River Area	456,437	424,350
Converse County, Wyoming	317,759	310,600
Other locations	80,096	37,953
	<u>1,675,056</u>	<u>1,459,535</u>

Oil and gas leases in the United States — at cost

	1975	1974
Deferred exploration expenditures on oil and gas leases	5,588	30,259
	<u>34,375</u>	<u>109,102</u>
	<u>\$2,597,804</u>	<u>\$2,482,442</u>

During the year a subsidiary entered into an agreement with Imperial Oil Limited whereby Imperial may earn a 51% interest in the mining rights on certain claims held in the Blind River Area by surveying the claims and drilling two exploratory holes to the Archean basement.

The amounts shown for mining claims, oil and gas leases and deferred exploration expenditures represent net costs

to date, less amounts written off, and do not necessarily reflect present or future values.

5. Land Held for Investment

Land held for investment is stated at the lower of cost or market and includes the following costs:

	1975	1974
Land, at cost	\$3,016,193	\$3,016,193
Property taxes and mortgage interest	157,125	81,224
Consulting, engineering and legal costs	181,047	90,946
Applicable portion of administrative expenses	13,661	13,046
	<u>3,368,026</u>	<u>3,201,409</u>
Less: Rental income	22,937	15,712
	<u>\$3,345,089</u>	<u>\$3,185,697</u>

6. Bank Loan

The bank loan is secured by shares in other companies and short-term investments having a carrying value of \$628,821 (quoted market value \$5,739,433).

7. Long-Term Debt

Mortgages bear interest mainly at 8% and 9% and principal repayments fall due as follows:

\$ 45,707 in	1976
35,100 in	1977
40,100 in	1978
\$646,893 after	1978

8. Stock Options

As at December 31, 1975 the company had stock option agreements with an officer and an employee. Collectively these individuals have options on 35,000 common shares of the company, at \$1.60 per share, exercisable at any time up to May 31, 1979.

9. Remuneration of Directors and Senior Officers

Directors and senior officers, as defined in the Business Corporations Act, received direct remuneration of \$92,343 in the year ended December 31, 1975 (\$85,541 in 1974).

10. Income Taxes

The companies have exploration and development expenditures, earned depletion and other deductions substantially in excess of amounts presently carried in the accounts, which may be available to reduce income taxes otherwise payable in future years.

11. Subsequent Events

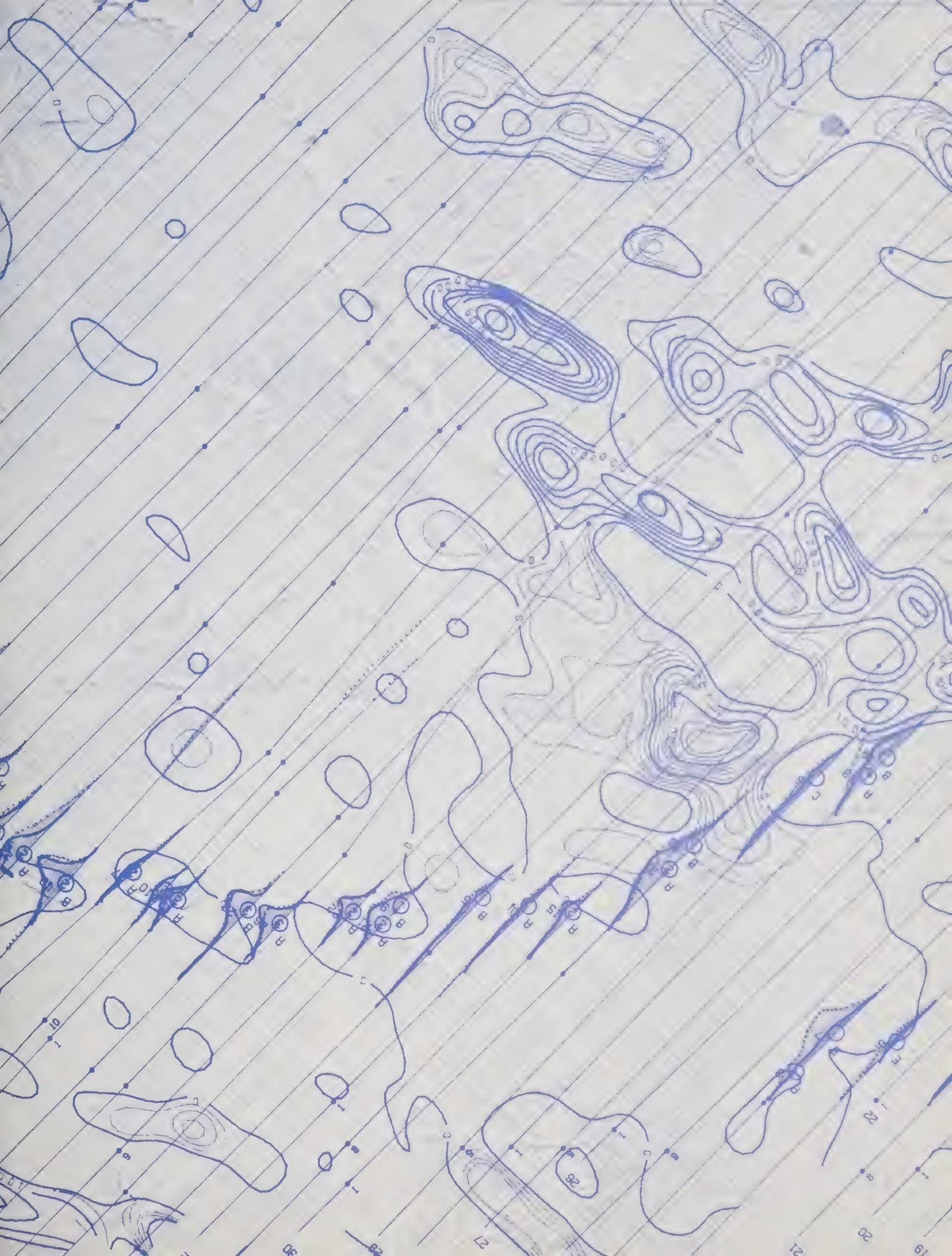
In January 1976, the company sold one of its real estate holdings for \$1,545,000 realizing a pre-tax profit of approximately \$645,000.

12. Comparative Figures

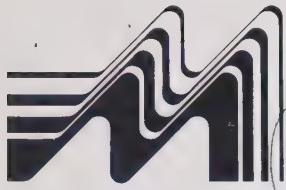
Certain of the preceding years figures have been reclassified for comparative purposes.

13. Anti-Inflation Act

The company is subject to restraint with regard to the payment of dividends under the terms of the Anti-Inflation Act and Regulations.







File
**Consolidated
Morrison
Explorations Ltd.**

Interim Report

For the six months ended
June 30th, 1975

AR08



President's Report to the Shareholders

for the six months
ended June 30, 1975

Enclosed are the unaudited consolidated statements of earnings and changes in financial position of your Company for the six month period ended June 30, 1975.

Uranium

Arrangements have now been made for the resumption of drilling this fall on your Company's Township 168 property comprising 3,200 acres and forming part of the Blind River Basin in the Elliot Lake area. Imperial Oil Limited is joining our Company by undertaking to drill an initial hole to basement. If Imperial elects to drill a second hole it will earn a fifty per cent interest. As the annual report explained, drilling in 1969 established the presence of uranium bearing quartz-pebble conglomerates that are the source of uranium in the operating mines in the area. The new hole will be located approximately 6,000 feet to the northwest of our previous drilling.

Arrangements are also underway to drill an exploratory probe on your Company's Flack Lake property held in partnership with David S. Robertson & Associates Limited in our Urex Project. For the geological reasons which are explained below there is a possibility that the favourable Mississagi quartzites and perhaps uraniferous pebble conglomerate could underlie these claims at a depth of approximately 1,400 feet.

David S. Robertson & Associates Limited give the following geological explanation of this hypothesis:

"The Flack Lake basin is on the up-slope projection of the paleodrainage system that was responsible for the deposition of the uraniferous conglomerate on the north limb of the Quirke syncline. It is in line with the Stanrock-Denison-Rio Algom ore trend as shown in the accompanying map.

An erosional contact between the Huronian sediments and the Archean basement occurs immediately north of the Rio Algom-Quirke orebody. This is the site of the original Quirke Lake surface discovery that led to the development of the Rio Algom, Dension, Spanish American, Stanrock, Canmet and Panel uranium mines. Basement greenstone and granitic rocks extend north of the contact for 4 miles to the Flack Lake fault. Huronian sediments are preserved north of the fault in a down-thrown block. Here, on the north side of the fault the sediments are Bar River quartzites, the youngest rocks in the Huronian sedimentary pile. The depth to the favourable Mississagi formation is estimated to be about 7,000 feet. The erosional Huronian-Archean lap-on contact is repeated 7 miles north of the Flack Lake fault at the north edge of the Flack Lake basin. At this point, however, the upper Huronian lies directly upon Archean granite and the favourable Mississagi beds are missing.

The ore trend direction from Quirke Lake is northwest toward Flack Lake. One drill hole was put down by Johns Manville north of the Flack Lake fault in line with the ore trend direction (as shown on accompanying map). The hole was collared on the south side of Flack Lake and drilled to a depth of 3,900 feet. The hole bottomed in Lorrain quartzite, an estimated 3,000 feet stratigraphically above the Mississagi.

Gowganda conglomerate and Bruce limestone outcrop in a triangular shaped wedge of Huronian sediments and intrusive sills that lies south of the main Flack Lake fault and between it and the Ompa Lake fault. The fault wedge is located on the projected trend of the Quirke Lake ore zone between the Johns Manville drill hole and Rio Algom's Quirke mine. The block is approximately 1.4 square miles in area and lies entirely within the UREX 42 claim block in Township 157. Minimum depth to the favourable Mississagi formation is estimated at about 300 feet, and to the Archean contact where uraniferous pebble beds might occur is about 1,000 feet. This is some 6,000 feet less than is estimated for the north side of the Flack Lake fault where the Johns Manville hole was drilled.

This provides a unique opportunity to investigate, at moderate depth, the Flack Lake basin in line with the projected extension of the Quirke Lake ore zone."

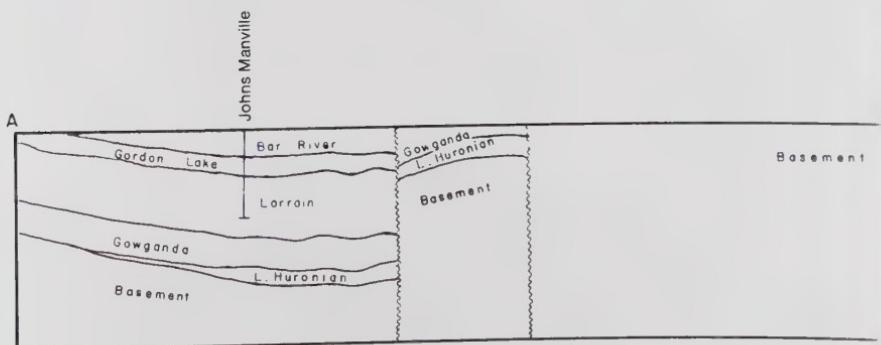
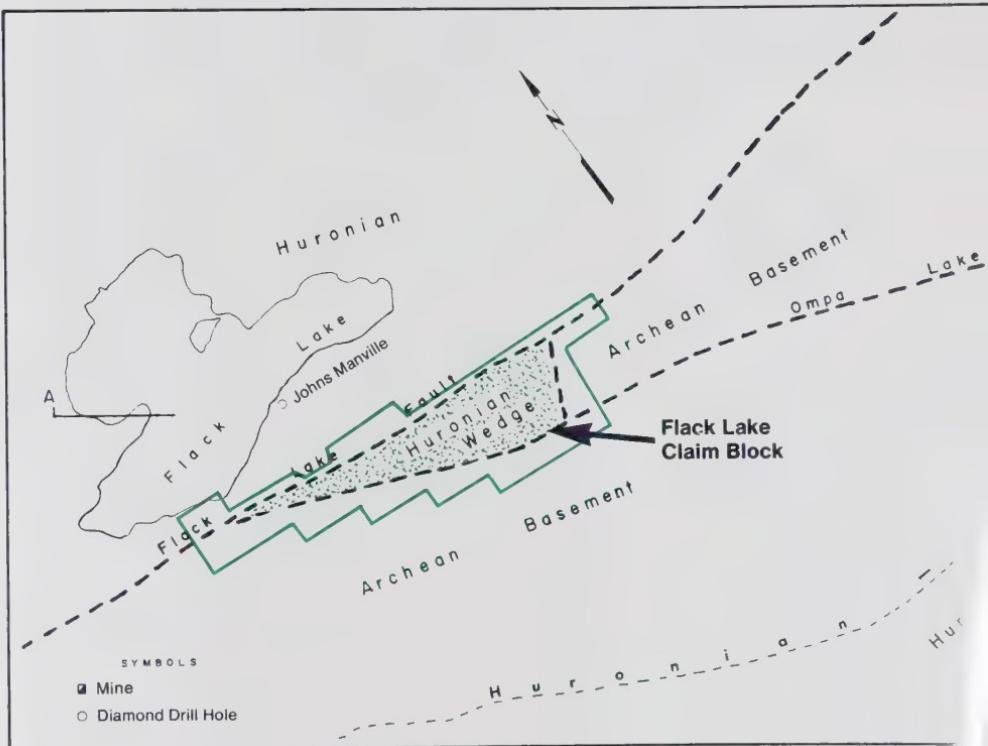
Flin Flon Project

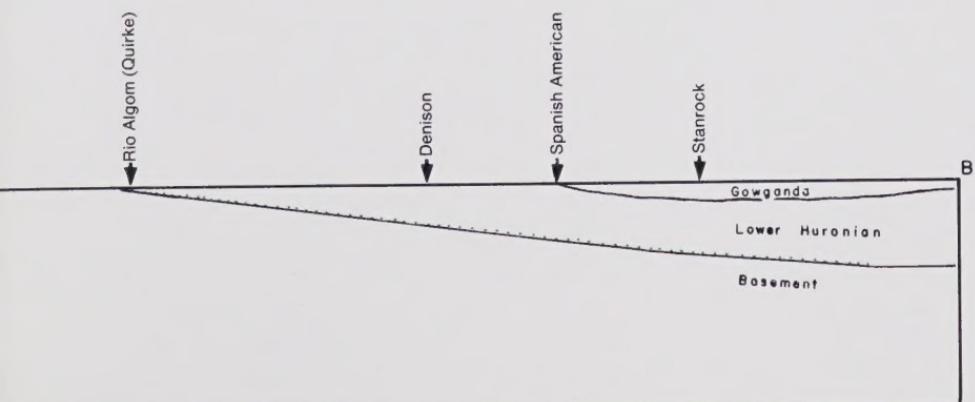
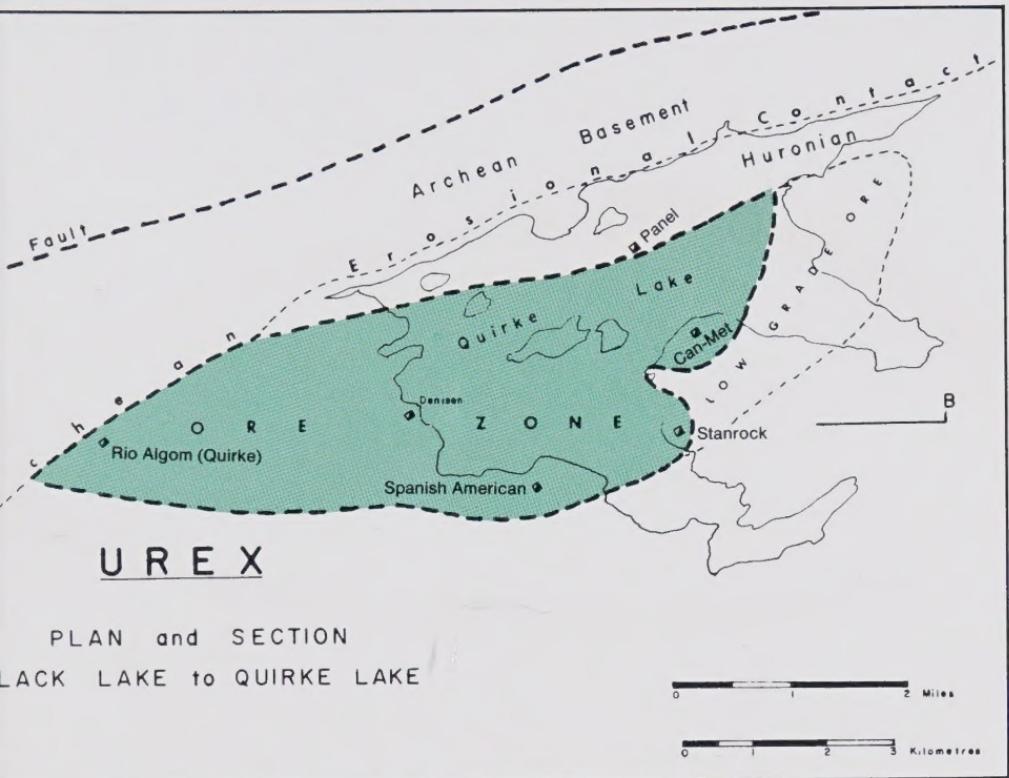
Subsequent to year-end Consolidated Morrison completed the staking of approximately 16,000 acres in Manitoba as part of the Flin Flon Project. This staking was necessary to cover desirable ground as our Manitoba exploration concession expired. Our Saskatchewan permit which comprises approximately 180,000 acres is still in good standing. We still have many targets worthy of detailed exploration found as a result of airborne surveys. Regretfully Canex Placer has withdrawn its participation as part of what we understand to be changes in that company's overall Canadian exploration program. Changing government policies towards the mineral industry have created considerable confusion and uncertainty and major Canadian companies are emphasizing foreign exploration at an increasing rate. We hope that uncertainties will resolve themselves and that new methods of working with government will develop because if they do not government is ringing a deathbell on the future of Canadian mining.

On behalf of the Board of Directors.

A. W. Stollery
President

August 21st, 1975.





Consolidated Statement of Earnings

for the Six Months Ended June 30th, 1975

	1975	1974
Income From Investments		
Dividends	\$200,000	\$170,000
Interest	10,039	56,867
Joint ventures	<u>17,361</u>	—
	<u>\$227,400</u>	<u>\$226,863</u>
Administrative and Financial Expenses		
General Administration	\$112,345	\$ 70,453
Bond interest	—	62,482
Amortization of bond issue expenses	—	8,423
Interest expense	<u>98,680</u>	<u>2,045</u>
	<u>\$211,025</u>	<u>\$143,403</u>
Less: Amounts allocated to mining and oil exploration and applied to land held for investment	<u>159,403</u>	<u>115,702</u>
	<u><u>\$ 51,622</u></u>	<u><u>\$ 27,701</u></u>
Earnings Before Exploration Activity and Extraordinary Item	<u><u>\$175,778</u></u>	<u><u>\$199,162</u></u>
Exploration Activity		
General exploration costs	\$ 85,710	\$142,302
Mineral and oil properties abandoned and exploration expenditures applicable to properties written off	<u>51,341</u>	<u>37,976</u>
Gain on sale of leases	<u>(11,430)</u>	—
	<u><u>\$125,621</u></u>	<u><u>\$180,278</u></u>
Earnings Before Extraordinary Item	<u><u>\$ 50,157</u></u>	<u><u>\$ 18,884</u></u>
Extraordinary Item		
Loss on sale of investments	<u>81,252</u>	<u>27,086</u>
Net Loss for the Period	<u><u>\$ 31,095</u></u>	<u><u>\$ 8,202</u></u>
Per Share Information		
Earnings before exploration activity and extraordinary item	\$.039	\$.044
Earnings before extraordinary item	<u>.011</u>	<u>.004</u>
Net loss for the period	<u>.007</u>	<u>.002</u>

Consolidated Statement of Changes in Financial Position

for the Six Month Period Ended June 30th, 1975

Source of Working Capital	1975	1974
Current Operations:		
Net loss for the period	\$ (31,095)	\$ (8,202)
Items not affecting working capital:		
Depreciation	2,014	2,045
Amortization of bond issue expense	—	8,424
Net cost of oil leases sold	20,911	—
Income from joint ventures	(17,361)	—
	\$ (25,531)	\$ 2,267
Mortgages on real estate	—	417,367
Reduction in mining and oil properties	6,924	—
Decrease in investment in shares of other companies ...	87,410	67,072
	\$ 68,803	\$ 486,706

Use of Working Capital

Advance to joint venture	\$ 164,185	—
Increase in investment in shares of other companies	—	\$ 102,606
Deferred exploration expenditures	1,444	62,383
Acquisition of land for investment	—	796,458
Carrying charges on land held	76,519	78,020
Reduction of mortgages in real estate	16,563	—
Addition to fixed assets	715	4,337
	\$ 259,426	\$ 1,043,804
Decrease in working capital	\$ 190,623	\$ 557,098
Working capital deficiency — beginning of period	1,838,077	871,119
Working capital deficiency — end of period	<u>\$ 2,028,700</u>	<u>\$ 1,428,217</u>



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